I hereby certify that this correspondence is being filed via EFS-Web with the United States Patent and Trademark Office on September 26, 2008.

TOWNSEND and TOWNSEND and CREW LLP

By: / Stephanie Klepp /
Stephanie Klepp

PATENT
Attorney Docket No. 020375-043600US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: Justin Monk Application No.: 10/694,925 Filed: October 27, 2003 For: METHODS AND SYSTEMS FOR PROCESSING TRANSACTIONS FOR INTEGRATED CREDIT AND STORED-VALUE PROGRAMS	Confirmation No. 5092 Examiner: Cuff, Michael A. Technology Center/Art Unit: 3627 APPELLANTS' BRIEF UNDER 37 CFR §41.37

Mail Stop Appeal Brief
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Further to the Notice of Appeal mailed on August 15, 2008, for the above-referenced application, Appellant submits this Brief on Appeal.

TABLE OF CONTENTS

1. REAL PARTY IN INTEREST

At the time of the filing of this appeal brief, First Data Corporation is the real party in interest for this appeal.

2. RELATED APPEALS AND INTERFERENCES

No other appeals or interferences are known which will directly affect, are directly affected by, or have a bearing on the board decision of the pending appeal.

3. STATUS OF CLAIMS

Claims 1 – 22 were originally filed in the application on October 27, 2003. Claims 1 – 7 were elected with traverse in response to the Restriction Requirement of the July 16, 2004 Office Action, and claims 8 – 22 were withdrawn from consideration. Claims 8 – 22 were ultimately canceled in a Response dated July 14, 2008. Claims 23 – 29 were added in a Response dated September 14, 2007. Claims 30 – 35 were added in a Response dated January 25, 2008.

Thus, claims 1 – 7 and 23 – 35 remain present for examination and are believed improperly rejected. These claims are the subject of this Appeal. A copy of the claims as rejected is attached as an Appendix.

4. STATUS OF AMENDMENTS

The only Amendment filed subsequent to the Final Office Action mailed May 16, 2008, made no changes to the claims, except to cancel previously withdrawn claims 8 – 22. Appellant assumes that all amendments have been entered, as there has been no indication to the contrary. Even if the cancellation of claims 8 – 22 has not been entered, Appellant believes this should have no impact on the outcome of this Appeal.

5. SUMMARY OF CLAIMED SUBJECT MATTER

Claims 1 and 30 are the independent claims, and set forth a novel method and system for processing a transaction at a point of sale. Claim 1 calls for receiving a cost for a

transaction at a point of sale device (Original Application, p. 5, ll. 19-20, 24-25; Figs. 1, 2, Ref. Nums. 152, 164). The claim further calls for receiving, at the point of sale device, information identifying an instrument associated with a stored-value account and a credit account (Id, p. 5, ll. 25-26; Figs. 1, 2, Ref. Nums.152, 164). The stored-value account and the credit account are linked substantially contemporaneously with issuance of the instrument to the customer (Id, p. 9, ll. 27-33).

A request is generated to select a distribution of the cost for the transaction among the stored-value and credit accounts (Id, p. 12, ll. 17-33; Fig. 4B, Ref. Num. 486). The request is presented at the point-of-sale device (Id, p. 12, ll. 20-22). The point of sale device then receives a response to the request identifying a selected distribution identifying a first nonzero portion of the cost for the transaction to be applied to the stored-value account and a second nonzero portion of the cost for the transaction to be applied to the credit account (Id, p. 12, l. 17 - p. 13, l. 18). The point-of-sale device transmits instructions to apply the cost for the transaction to the stored-value and credit accounts in accordance with the received response (Id, p. 13, ll. 20-25; Fig. 4B, Ref. Nums. 490, 494).

Claim 30 includes substantially the same allowable recitations as those of claim 1, and is supported by at least the same portions of the Specification.

6. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

Ground of Rejection 1: Whether claims 1-7 and 23-35 are unpatentable under 35 U.S.C. §103(a) over U.S. Patent No. 5,649,118 to Carlisle ("Carlisle") in view of U.S. Patent No. 5,796,832 to Kawan ("Kawan"). Pages 2 – 4 of the Final Office Action dated May 16, 2008 ("Office Action"), describe the Examiner's current position on this issue.

7. ARGUMENT

Ground of Rejection 1: 35 U.S.C. §103(a) Rejection, Claims 1-7 and 23-35

The Office Action rejected claims 1 – 7 and 23 – 35 under 35 U.S.C. §103(a) as being unpatentable over Carlisle in view of Kawan. In the Office Action, the Examiner apparently withdrew all previous rejections based on all previously cited art. Rather, in rejecting

the claims, the Examiner referred only to Carlisle, a newly cited reference, quoting the first paragraph of the detailed description in its entirety with no specific reference. In fact, he cited no specific teachings or suggestions at all, simply asserting that Carlisle "shows all the limitations of the claims except for specifying a remote host." Office Action, p. 2. As a result, the Appellant was forced to guess at which portion of the reference the Examiner believed applied to recitations of the claims. Consequently, the Appellant respectfully traversed the rejection of the claims as failing to establish a *prima facie* case of obviousness.

The Federal Circuit has noted that an examiner must make out a *prima facie* case in order to establish obviousness. For example, the Federal Circuit has stated:

> "The examiner cannot sit mum, leaving the applicant to shoot arrows in the dark hoping to somehow hit a secret objection harbored by the examiner. The "prima facie" case notion, the exact origin of which appears obscure . . ., seemingly was intended to leave no doubt among examiners that they must state clearly and specifically any objections (the prima facie case) to patentability, and give the applicant fair opportunity to meet those objections with evidence and argument. To that extent the concept serves to level the playing field and reduces the likelihood of administrative arbitrariness." See In re Oetiker, 24 USPQ 2d 1443, 1447 (Fed. Cir. 1992) (Plager, J., *concurring*).

Similarly, in the context of an appeal, the Board of Patent Appeals and Interferences stated:

> "In the present instance, in both the final rejection (Paper No. 7, page 3) and the answer (Paper No. 10, page 4), the examiner, in rejecting claims 4, 10 and 12 under 35 U.S.C. § 102(b), has merely stated that the claims are rejected 'as being clearly anticipated by . . . Moran' without any further elaboration in either office action of precisely how Moran meets the specific limitations of the rejected claims. ... Under these circumstances, we hold that the examiner has failed to meet the examiner's initial burden of establishing a prima facie case of anticipation, such that the standing rejection of claims 4, 10 and 12 as being anticipated by Moran cannot be sustained." Ex Parte Michael C. Martin, Appeal No. 2000-1630 (B.P.A.I. July 18, 2002) (reversing the examiner's rejection)(Unpublished).

In view of these and other cases, it is clear that the Office must give an Appellant more guidance as to what specific portions of a reference are being relied upon in rejecting the claims. The Examiner has not done so. Thus, the rejection of claims 1 – 7 and 23 – 35 under 35 U.S.C.

§103(a) is respectfully traversed as failing to establish a *prima facie* case of obviousness and withdrawal of the rejection is respectfully requested.

Moreover, Appellant respectfully maintains that the deficiencies of the previously cited, and apparently dismissed, art remain in the art newly cited by the Examiner. Specifically, Appellant submits that the newly cited art still fails to teach or suggest linking a single identifier of a payment instrument to multiple accounts at a remote host, and using that remote host to generate account information based on the instrument identifier for use in point-of-sale transactions with the instrument, as recited in independent claims 1 and 30. To establish a *prima facie* case of obviousness, the cited references, combined with the knowledge of those of ordinary skill in the art, must teach or suggest all the claim limitations. Appellant further traverses these rejections at least because the combination of Carlisle, Kawan, and ordinary knowledge in the art fails to teach or suggest all the recitations of the independent claims.

First Missing Recitation: Instrument Identifier

Claim 1 recites "receiving, at the point-of-sale device from an instrument, an instrument identifier identifying the instrument, wherein the instrument identifier is associated with a stored-value account and a credit account...; transmitting, from the point-of-sale device to the remote host, the instrument identifier." Claim 30 contains a similar recitation. The Office Action provides no clarity as to where this recitation can be found in the art, and it appears only to refer to Carlisle as generally suggesting this recitation. Office Action, p. 2. While Carlisle discusses smart cards and a number of identifier types, none of those identifiers appears to be, or even appears to be useful as, an instrument identifier identifying the instrument.

Carlisle generally discusses technology to allow a consumer to make purchases using a number of different accounts stored on a single smart card. In the Advisory Action mailed July 31, 2008 ("Advisory Action"), the Examiner argues that "It is clear in the rejection [the Office Action] that the Carlisle smart card is the instrument and that the smart card has an ID file which is received when the smart card is put into a smart card reader." Advisory Action, Continuation to 11. Again, the Examiner provides no specific citation to Carlisle. On the

contrary, Carlisle explicitly states that the multiple accounts stored on the smart card, *and not the card itself*, are each identified using "an account identifier for uniquely specifying a given account...." Carlisle, Col. 2, ln. 25. ***Using multiple account identifiers for identifying accounts on a card is different from using a single instrument identifier to identify the instrument, and then transmitting the instrument identifier to a host to obtain associated account information.***

For example, say that stored in the memory of a smart card in Carlisle are two account identifiers associated with two accounts. To associate a third account with the card, it may be necessary to write new information to the memory of the card. This may require that memory is available, that the card recognizes the new account type, that the system adding the account is given access to the memory of the card, etc. This is different from being able to simply update a remote host to associate a new account with an existing instrument identifier, without physically impacting the customer's payment instrument.

For at least these reasons, Carlisle fails to teach or suggest this recitation of claims 1 and 30. Further, the Office Action fails to provide any teachings from other references or any reason why this recitation would be within the knowledge of a person of ordinary skill in the art. As such, the combined teachings of the art, as cited by the Office Action, fail to teach or suggest this first missing recitation of the independent claims.

Second Missing Recitation: Host Generation of Account Information

Further, claim 1 recites "receiving, at the point-of-sale device from the remote host, account information relating to the stored-value account and the credit account linked to the instrument identifier, the account information being generated by the remote host based on the instrument identifier." Claim 30 contains a similar recitation. Again, the Office Action provides no clarity as to where this recitation can be found in the art, and it appears only to refer to Carlisle in view of Kawan as generally suggesting this recitation. Office Action, pp. 2 – 3.

It would make little sense to read Carlisle as teaching or suggesting this recitation for at least two reasons. First, as discussed above, Carlisle does not appear to disclose an instrument identifier at all, let alone one where "account information [is] generated by the remote

host based on the instrument identifier." Second, as the Office Action correctly points out, Carlisle does not "specify[] a remote host." Office Action, p. 2.

The Office Action attempts to remedy this deficiency in Carlisle by generally citing Kawan as teaching "where the smart card and a remote host work in concert together...." Id. at 3. The Advisory Action adds that "[g]enerating 'information' in a computer system is very broad and, under the guidance of the KSR case, common sense in conjunction with the cited prior art teaches this broad limitation." Advisory Action, Continuation to 11. In both cases, the Office Action again cites no specific teaching or suggestion of of the references to this effect, and the Appellant is forced to generally traverse the statement.

Even if, *arguendo*, Kawan teaches a remote host, there appears to be no teaching or suggestion of a remote host that generates account information based on the instrument identifier, as recited in claims 1 and 30. Further, even if, *arguendo*, generating "information" can be broadly construed, the Examiner still must find teachings of "receiving, *at the point-of-sale device from the remote host*, account information *relating to the stored-value account and the credit account linked to the instrument identifier*, the account information *being generated by the remote host based on the instrument identifier*," as recited in the claims. For example, neither Carlisle nor Kawan has been shown to teach or suggest receiving the information from the remote host, the information relating to the linked accounts, or the information being generated by the remote host based on the instrument identifier.

For at least these reasons, it would make no sense to rely on the cited art to teach or suggest this recitations of claims 1 and 30. Further, the Office Action fails to provide any teachings from other references or any reason why this recitation would be within the knowledge of a person of ordinary skill in the art. As such, the combined teachings of the art, as cited by the Office Action, fail to teach or suggest this second missing recitation of claims 1 and 30.

Third Missing Recitation: Account Linking at a Remote Host

Even further, claim 1 recites "wherein the stored-value account and the credit account were linked to the instrument identifier at a remote host ...." Claim 30 contains a

similar recitation. Again, the Office Action provides no clarity as to where this recitation can be found in the art, simply relying on general asserted teachings of accounts and identifiers in Carlisle and of remote hosts in Kawan.

As discussed above, it would make little sense to read Carlisle as teaching or suggesting this recitation for at least the reasons that Carlisle does not appear to disclose an instrument identifier, and Carlisle does not disclose a remote host. Also, as discussed above, a general disclosure in Kawan of a remote host is not enough to provide a teaching or suggestion of the remote host recited in claims 1 and 30. Particularly, the Office Action cites no specific reference in any art as teaching or suggesting "wherein the stored-value account and the credit account were linked to the instrument identifier at a remote host," as generally recited in the independent claims. As such, the combined teachings of the art, as cited by the Office Action, fail to teach or suggest this third missing recitation of claims 1 and 30.

The Advisory Action attempts to resolve this deficiency in the Office Action by finally making a specific citation to Carlisle. Particularly, the Advisory Action notes that "Applicant asserts that the prior art does not show stored value accounts and credit accounts linked to the instrument. Carlisle shows, column 21, lines 50-56, 'Although the accounts described in the above example involved welfare programs, other types of accounts may be utilized for Account "A", Account "B", etc., such as conventional Visa, Mastercard, Discover, or other credit card accounts, as well as savings and/or checking accounts obtained through banks, savings & loans, credit unions, or the like.'" Advisory Action, Continuation of 11. Appellant does not argue with the suggestion that Carlisle discloses a single card linked to multiple accounts. Rather, Appellant argues that there is no teaching or suggestion in Carlisle or Kawan either of multiple accounts being linked to an *instrument identifier*, or of that linking occurring *at a remote host*.

For at least the above reasons, the cited references fail to teach or suggest all the recitations of claims 1 and 30. Further, the Office Action has provided no reason why, in the absence of these teachings, the recitations of claims 1 and 30 would be known to one of ordinary skill in the art. As such, the Office Action has failed to meet its *prima facie* burden of proving

obviousness. Therefore, Appellant respectfully submits that independent claims 1 and 30 are allowable. Moreover, Appellant respectfully submits that claims 2 – 7, 23 – 29, and 31 – 35 each depend from an allowable base claim, and are believed allowable for at least the same reasons as given above. App, therefore, respectfully requests that the §103(a) rejections to claims 1 – 7 and 23 – 35 be withdrawn.

8. CONCLUSION

For these reasons, it is respectfully submitted that the rejection should be reversed.

Respectfully submitted,

Daniel J. Sherwinter
Reg. No. 61751

TOWNSEND and TOWNSEND and CREW LLP
Two Embarcadero Center, Eighth Floor
San Francisco, California 94111-3834
Tel: 650-326-2400
Fax: 650-326-2422
61492443 v1

9. CLAIMS APPENDIX

1. (Previously Presented) A method for processing a transaction with a customer at a point of sale, the method comprising:

receiving, at a point-of-sale device, a cost for the transaction;

receiving, at the point-of-sale device from an instrument, an instrument identifier identifying the instrument, wherein the instrument identifier is associated with a stored-value account and a credit account, and wherein the stored-value account and the credit account were linked to the instrument identifier at a remote host substantially contemporaneously with issuance of the instrument to the customer;

transmitting, from the point-of-sale device to the remote host, the instrument identifier;

receiving, at the point-of-sale device from the remote host, account information relating to the stored-value account and the credit account linked to the instrument identifier, the account information generated by the remote host based at least in part on the instrument identifier;

generating, based at least in part on the account information, a request to select a distribution of the cost for the transaction among the stored-value and credit accounts;

displaying, at the point of sale device, the request;

receiving, at the point of sale device, a response to the request that identifies a selected distribution identifying a first nonzero portion of the cost for the transaction to be applied to the stored-value account and a second nonzero portion of the cost for the transaction to be applied to the credit account; and

transmitting, from the point-of-sale device, instructions to apply the cost for the transaction to the stored-value and credit accounts in accordance with the received response.

2. (Previously Presented) The method recited in claim 1 wherein generating the request comprises generating a request for the customer to select one of the stored-value or credit accounts for application of the cost for the transaction.

3. (Original) The method recited in claim 1 further comprising verifying that the transaction qualifies for application of the cost to the stored-value account.

4. (Original) The method recited in claim 1 further comprising verifying that the transaction qualifies for application of the cost to the credit account.

5. (Original) The method recited in claim 1 wherein the request identifies a current value stored in the stored-value account.

6. (Original) The method recited in claim 5 wherein the request includes an option to apply an amount of the cost for the transaction in excess of the current value stored in the stored-value account to the credit account.

7. (Original) The method recited in claim 1 wherein the cost for the transaction exceeds a current value stored in the stored-value account and the instructions include:

a request to apply a portion of the cost equal to the current value stored in the stored-value account to the stored-value account; and

a request to apply an excess of the cost over the current value stored in the stored-value account to the credit account.

8. – 22. (Canceled)

23. (Previously Presented) The method of claim 7, wherein the request includes an explicit option that all of the stored-value card value be applied to the transaction and excess be applied to the credit account.

24. (Previously Presented) The method of claim 1, wherein the request includes a first maximum amount that may be applied to the credit account, the first maximum amount being less than the cost for the transaction.

25. (Previously Presented) The method of claim 24, further comprising:

modifying, with a writer at the point-of-sale device, the credit account information in the instrument to reflect use of the second nonzero portion.

26. (Previously Presented) The method of claim 1, wherein the request includes a second maximum amount that may be applied to the stored-value account, the second maximum amount being less than the cost for the transaction.

27. (Previously Presented) The method of claim 26, further comprising:

extracting the second maximum amount information from the instrument.

28. (Previously Presented) The method of claim 26, further comprising:

receiving the second maximum amount information from the host system.

29. (Previously Presented) The method of claim 1, wherein,

the request includes a minimum nonzero amount that is required to be paid in cash; and

the minimum nonzero amount is included in the displayed request.

30. (Previously Presented) A system for processing a transaction with a customer at a point of sale, the method comprising:

a remote host, configured to store an instrument identifier identifying an instrument associated with a stored-value account and a credit account, wherein the stored-value account and the credit account were linked to the instrument identifier at the remote host; and

a point-of-sale device, remote to the host, and configured to:

receive a cost for the transaction;

receive the instrument identifier from the instrument;

transmit the instrument identifier to the remote host;

receive, from the remote host, account information relating to the stored-value account and the credit account linked to the instrument identifier, the account information being generated by the remote host based at least in part on the instrument identifier;

generate, based at least in part on the account information, a request to select a distribution of the cost for the transaction among the stored-value and credit accounts;

display the request;

receive a response to the request that identifies a selected distribution identifying a first nonzero portion of the cost for the transaction to be applied to the stored-value account and a second nonzero portion of the cost for the transaction to be applied to the credit account; and

transmit instructions to apply the cost for the transaction to the stored-value and credit accounts in accordance with the received response.

31. (Previously Presented) The system recited in claim 30, wherein the point-of-sale device is further configured to:

verify that the transaction qualifies for application of the cost to at least one of the stored-value account or the credit account.

32. (Previously Presented) The system recited in claim 30, wherein the point-of-sale device is further configured to:

identify a current value stored in the stored-value account.

33. (Previously Presented) The system recited in claim 32, wherein the point-of-sale device is further configured to:

apply an amount of the cost for the transaction in excess of the current value stored in the stored-value account to the credit account.

34. (Previously Presented) The system recited in claim 30, wherein the point-of-sale device is further configured to:

extract an amount of the cost for the transaction from the instrument.

35. (Previously Presented) The system recited in claim 30, wherein the point-of-sale device is further configured to:

receive maximum amount information from the remote host relating to a maximum amount that may be applied for the transaction to at least one of the credit account or the stored-value account.

10. EVIDENCE APPENDIX

None

11. RELATED PROCEEDINGS APPENDIX

None